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ABSTRACT

Under a legislative mandate, the Maryland Higher Education Commission is required to update the State Plan for Postsecondary Education every 2 years. This is the first update of the State Plan. This update is not a new plan, but a reflective report on the progress made and the new issues that have arisen since the State Plan was approved in June 2000. Since the adoption of the plan, a number of significant activities have occurred. The state of Maryland entered into a Partnership Agreement with the U.S. Department of Education, Office of Civil Rights, to improve the educational opportunities for African Americans in Maryland's higher education system. The postsecondary education community has been involved in continuous dialogue concerning each one of the 8 goals of the State Plan over the 12-month study period. A performance accountability system consisting of individualized goals, objectives, and measures used for assessing progress was adopted. Since 2000, a comprehensive review and reassessment of mission statements occurred, funding guidelines were adopted, and the Task Force To Study College Readiness for Disadvantaged and Capable Students issued its final report and recommendations on academic preparation, teacher preparation, and financial aid. A comprehensive study of the state's financial aid programs was also conducted, which included recommendations consistent with the Task Force on College Readiness. (SLD)

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2002 Update of the Maryland State Plan for Postsecondary Education

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2002 UPDATE OF THE MARYLAND STATE PLAN FOR POSTSECONDARY EDUCATION

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Introduction

Pursuant to §11-105 of the Education Article, the Maryland Higher Education Commission is required to update the State Plan for Postsecondary Education every two years. This is the first update of the State Plan, which was approved in June 2000. This update is not a new plan but rather a reflective report on the progress made and new issues that have arisen since the State Plan was written. The update reflects upon the progress made by Maryland's postsecondary education community in achieving the goals of the State Plan. The update reflects the work of many people, in particular, broad representation provided by the Commission's Segmental Advisory Council and its staff. The Segmental Advisory Council includes the Chancellor of the University System of Maryland, the President of Morgan State University, the President of St. Mary's College of Maryland, the President of the Maryland Independent College and University Association, the Executive Director of the Maryland Association of Community Colleges, and the Executive Director of the Maryland Association for Private Career Schools. Through these segmental representatives, students, faculty, and campus administrators throughout the State's postsecondary education system contributed to the update of the State Plan.

Since the adoption of the State Plan for Postsecondary Education in 2000, a number of significant activities have occurred. The State entered into a Partnership Agreement with the U.S. Department of Education, Office for Civil Rights, to improve the educational opportunities for African Americans in Maryland's higher education system. The postsecondary education community has been involved in continuous dialogue concerning each one of the eight goals of the State Plan over a twelve-month study period. Performance accountability consisting of individualized goals, objectives, and measures used for assessing progress was adopted. Since 2000, a comprehensive review and reassessment of mission statements occurred; funding guidelines were adopted; and the *Task Force to Study College Readiness for Disadvantaged and Capable Students* issued its final report and recommendations on academic preparation, teacher preparation, and financial aid. A comprehensive study of the State's financial aid programs was conducted, which included recommendations consistent with the *Task Force on College Readiness.*

Present and Future Needs

This section highlights the major external forces—Maryland's shifting demographics, economic development, information technology, pre-K-12 education, and civic and social responsibility—that the State of Maryland will continue to encounter in responding to the postsecondary education needs of its citizens.

Maryland's Shifting Demographics

As identified in the State Plan, a series of sociological trends have altered the visage of postsecondary education: increased participation by older Americans, the impact of the "baby boom echo," and the rising ethnic diversity of student populations. Older students continue to be a large presence at Maryland colleges and universities. These students often require more flexibility in location, classes, availability of faculty, and type of facilities than younger undergraduates. Over the next six years, substantial growth will continue in the number of new full-time freshmen entering Maryland campuses fueled by an influx of recent high school graduates. The increase will squeeze the physical and instructional capacities of Maryland campuses through that period.

The number of minority students at Maryland campuses has soared 50 percent in the past 10 years and represents all of the enrollment growth in the State during this period. Currently, minorities constitute 35 percent of Maryland college students, compared to 25 percent nationally. These trends have important implications for student preparation and success. While African Americans have made progress in retention, graduation, and transfer in recent years, their rates have consistently lagged behind those of all students. Research has found that having a mix of students from ethnically and culturally diverse backgrounds on campus enhances learning and critical thinking. The impact is particularly great when students from different racial and ethnic groups engage in frequent interaction.

Economic Development

Rapid changes in job requirements and the needs of employers have placed a premium on workers with greater educational attainment and advanced skills. Nearly one-third of all job openings in Maryland in 2005 will require a community college degree or higher, and an additional 27 percent of new jobs will require a person with some education or training beyond high school. In addition, more than half of those expected to join the workforce nationally in the next 10 years will be minorities.

Surveys by the Maryland Higher Education Commission (Commission) and the Maryland Business Roundtable for Education have found that employers in the State have strong demand for, but difficulty attracting, college-educated applicants with backgrounds in business, health, secondary and special education, engineering, and computer and information technology. The educational attainment and job training of these groups have traditionally lagged behind that of others. To keep pace with

technology, continuous education will become a regular component of the work experience.

Another source of economic development continues to be Maryland's science-oriented research universities, which are powerful tools for economic growth. Through their combined efforts, Maryland is among the nation's top five states in terms of university-based research and development expenditures. However, more can be achieved. Maryland ranks below the national average in commercializing technology, and has lagged other top states in patents, commercial applications and new company spin-offs, though technology transfer activity by Maryland universities has increased in recent years.

Maryland's community colleges and private career schools also are powerful tools for economic growth. These institutions produce the technicians and health care workers who are the backbone of many employers. They also provide considerable opportunities for employees to upgrade their skills to meet the changing needs of their jobs or to prepare for new ones.

Information Technology

The use of advanced technologies continues to transform the higher education enterprise. Paper-intensive activities such as registration and the management of student records can now be on-line. Students can gain financial aid and academic counseling from the home or the workplace. Through the vast bandwidth made possible by Internet II, faculty can talk face-to-face to other faculty or to students worldwide through live, real time video; researchers a continent apart can share the same experiment in real time; and medical doctors can provide medical treatment remotely. Students should be technologically accomplished and able to apply the tools of appropriate technology to their respective fields upon graduation.

Necessary to these advances is the existence of adequate infrastructure and equipment on each campus to permit the campus to participate in advanced telecommunications. Collaboration in research and instruction among campuses and the sharing of on-line courses is not possible without a robust high-speed network linking all campuses. The further sharing of resources with the public schools requires inclusion of those schools in such a network.

The most visible impact of information technology has been seen in distance learning, which has grown drastically in Maryland in the past few years. Between 1997 and 2000, the number of credit courses offered by distance learning at Maryland campuses grew by 72 percent – from 1,245 to 2,135. The number of students served by these courses soared by 83 percent -- from 29,145 to 53,194. The number of degree programs offered primarily or entirely by distance learning jumped from 17 to 50. Despite these impressive figures, there is still no statewide high-speed digital educational network to facilitate the sharing of electronic courses among Maryland's campuses and schools. Substantial differences have developed among Maryland

colleges and universities in terms of their possession of the baseline of technology and equipment needed to provide the most utilized forms of distance learning and multi-media instruction.

Pre-K-12

Cooperation between the State's postsecondary sector and its public schools is critical to the improvement of education at all levels. Maryland, like other states, faces a critical shortage of teachers. The Maryland State Department of Education has estimated that Maryland will need to hire nearly 9,000 new teachers in the 2002-2003 academic year. All jurisdictions in the State are expected to experience shortages. Large numbers of teachers have reached, or will soon attain, retirement eligibility. Although incentives such as scholarships, loan forgiveness, hiring bonuses, increased salaries, low-interest mortgages, and alternative certification routes can be used to attract additional teachers; colleges and universities have not enrolled as many students as they can serve into teacher education programs. A study by the Commission found that teacher preparation programs could absorb an additional 4,600 students within their current resources.

In terms of student performance, research has shown that students who take a college preparatory course of study in high school perform better in their first year in college than those who do not and are more likely to earn their degree. The Maryland Partnership for Teaching and Learning has identified core learning goals and academic content standards designed to help students make the transition from high school to college and the workplace. *The Task Force to Study College Readiness for Disadvantaged and Capable Students* developed a series of recommendations to ensure that minority and low-income students participate in college preparatory curricula and have adequate opportunity to enter and graduate from institutions of higher education.

Civic and Social Responsibility

The promotion of citizenship has traditionally been one of the central concerns of postsecondary education. Campus activities designed to advance public service and community outreach, to encourage cooperative ventures with other organizations, and to instill the benefits of cultural diversity all contribute to the "betterment of the whole." Maryland higher education institutions are involved in numerous joint projects with elementary and secondary schools in the State to ensure the uninterrupted promotion of civic and social responsibility of Maryland's students. Maryland collegiate institutions and private career schools also have initiated an array of activities designed to serve business, industry, and other employers in the State.

Higher Education Funding

State General Fund Outlook

The rapid growth in revenue that the State enjoyed in the late 1990s and early 2000 has leveled off and declined. Like many other states, Maryland has experienced a drop in economic activity and slow revenue growth. According to the Board of Revenue Estimates, fiscal year (FY) 2002 and FY 2003 revenue growth is well below FY 2001. It is anticipated that this sluggish growth in revenue will result in a cumulative revenue shortfall. To close this gap, the State has initiated cost containment actions and spending of reserves to balance the FY 2002 and FY 2003 budgets. Some analysts predict that measures taken to balance the FY 2002 and FY 2003 budgets may still leave the State with a deficit for FY 2004.

Although economic forecasters predict that a recovery is imminent, the next few years will be lean for higher education. The demand for public funds is increasing as a result of escalating costs for health care, elementary and secondary education, and public safety. As a result, higher education will face a competitive funding environment.

State Operating Support for Postsecondary Institutions

Education has been a high priority for the State and one of the few areas within Maryland that has experienced substantial increases in State funding. Over the past two years, Maryland's public colleges and universities enjoyed a considerable increase in State support. On average, general fund support for Maryland higher education rose 12 percent annually, between FY 2000 and FY 2002, well above the national average of 6 percent. Maryland ranked seventh nationally in the percentage increase in state tax revenues for operating expenses between FY 2000 and FY 2002. The State's commitment to higher education is also evident by the proportion of total general fund revenues dedicated to operating and capital support. In FY 2002, 16 percent of the total general fund revenues were dedicated to operating and capital support for Maryland's colleges and universities. This is up from 13 percent in FY 2000. Between FY 2000 and FY 2002, the State experienced moderate tuition increases. The four-year public institutions maintained annual tuition increases at four percent and tuition increases at community colleges were held to moderate levels, averaging three percent.

The current economic downturn threatens to leave higher education institutions with only small budget increases in their budgets for the coming year. The FY 2003 budget includes a 2 percent overall increase in State operating support for postsecondary education--with some segments receiving less than that amount--well below the average annual increase of 12 percent enjoyed just two years ago. In addition, the current fiscal constraints will push postsecondary education toward higher tuition levels.

State Capital Support for Postsecondary Institutions

Since FY 2000, the State has made substantial capital investments to correct a backlog of facility renewal projects and to build capacity to accommodate an anticipated growth in student enrollments. Between FY 2000 and FY 2003, the State invested $1 billion in capital projects to meet the needs of higher education. This includes $75 million in academic projects financed through revenue bonds, which are secured by auxiliary fees (income, fees, rents, charges, and other revenues from the use of auxiliary facilities) and academic fees (tuition, student, and activity fees). Repayment of debt service is available from these sources as well as from specifically authorized State appropriations and contracts, grants, and gifts.

The FY 2003 budget includes $112 million for new higher education capital projects. This includes funds to enhance the campus infrastructure and improve the quality and adequacy of facilities at Maryland's Historically Black Colleges and Universities (HBCUs), a commitment embodied in the State's Office for Civil Rights Partnership Agreement.

Meeting the capital needs of higher education will remain a challenge. The State has responded to this challenge by planning to invest $1.1 billion in capital funding over the next five years.

Student Financial Aid

Over the last three years, the State increased efforts to minimize financial barriers to higher education for Maryland citizens by offering a wide range of student financial aid programs. The Educational Excellence Awards Program, the State's largest need-based financial aid program, grew 15 percent and accounts for nearly half of all financial aid program funding in the State. State support for the HOPE scholarship programs and programs designed to award academic performance in high school and college increased from $3.8 million in FY 2000 to $21.4 million in FY 2003, as these programs were phased in over the last several years. In general, State financial aid increased 48 percent between FY 2000 and FY 2003.

While State financial aid increased significantly since FY 2000, the proportion of aid awarded strictly on the basis of financial need declined. For FY 2003, 49 percent of the State financial aid is in the form of need-based student aid, which is comprised of the Educational Excellence Awards, Part-Time Grants, and Professional School Scholarships. This is down from 63 percent just three years ago. This shift is the result of significant funding increases in the HOPE scholarship programs.

Funding for the Jack F. Tolbert Memorial Student Grant Program, a need-based grant program for students attending private career schools, increased from $200,000 in FY 2001 to $300,000 in FY 2002. The Commission has recommended that each year

thereafter, the allocation for the Tolbert Grant program increase by $100,000 until the annual funding reached a maximum of $700,000 in FY 2006. Due to budget constraints, funding for Tolbert remains at $300,000 in FY 2003.

The largest provider of student financial assistance continues to be the federal government. In FY 2000, the federal government provided 60 percent of student financial aid in Maryland, while 30 percent of student financial assistance was provided in the form of institutional aid and 5 percent came from private sources. The State provides 5 percent of financial aid assistance to students attending Maryland's public and private institutions.

Significant Activities Since 2000

OCR Partnership Agreement

The State of Maryland and the United States Department of Education, Office for Civil Rights (OCR), entered into a Partnership Agreement for the purposes of improving the educational opportunities for African Americans in Maryland's public institutions of higher education and ensuring compliance with the State's obligations under federal law. As part of the Partnership Agreement, the State and OCR agreed to examine and address the status of African Americans regarding access to, enrollment in, retention in, and graduation from the State's public four-year institutions of higher education. Central to this commitment is the continuing contributions of the HBCUs and the necessity of ensuring that these institutions are comparable to and competitive with the State's Traditionally White Institutions (TWIs) in all facets of their operations and programs. The State is committed to remedying and removing vestiges of past discrimination, if any, as required under federal law, and expanding educational opportunities for African American students without placing unfair burdens on them in the desegregation process, particularly as related to the unique role of HBCUs and their students, faculty, and staff.

Since the implementation of the Partnership Agreement, the Maryland General Assembly has approved several OCR-related initiatives. The multi-year *Access and Success* Grant program received initial funding of $3 million in FY 2001. Increases in this program were provided in FY 2002 and FY 2003, bringing the total funding to $6 million and fulfilling the State's commitment to double the funding for this program. Each HBCU will receive $1.5 million in FY 2003 to better prepare students entering these institutions in their freshman year and push them towards graduation in four years.

The State committed to raise the match for the Private Donation Incentive Grant program to a $2 match for every $1 raised by a historically black institution up to a certain level over a five-year period. The State was also successful in establishing the HBCU Enhancement Fund. This initiative includes a cumulative authorization of $75 million in Academic Revenue Bonds (ARBs) over a five-year period (between FY 2003 and FY 2007) to fund capital facility projects and improvements at the HBCUs. Over the next 20 years, the State has committed to pay the debt service on these bonds until the debt is retired. The amount of funds dedicated to pay the debt service will increase gradually over the next five years. When there is no debt service or when only a portion of funds is needed to pay the debt service, funds will be available for one-time only enhancements such as improving information technology or purchasing computers for eligible students.

Since there was no debt service for FY 2003, the Governor's proposed operating budget included $6 million in the enhancement fund. Due to fiscal constraints, $3 million was deferred to FY 2004. Budget bill language was adopted expressing the

intent of the budget committees that the Governor increase the OCR enhancement appropriation in FY 2004 to reflect the partial deferral of enhancement funds in FY 2003. Overall, the FY 2003 operating budget includes $3.4 million in enhancement funding for the HBCUs, $3 million as part of the enhancement fund for one-time only operating enhancements and $400,000 to support the purchase of personal computers for low-income students at Morgan State University. Furthermore, in FY 2003, $1.2 million in information technology funding was provided to support the purchase of personal computers for low-income students for three HBCUs within the University System of Maryland.

While the efforts made to date do provide additional enhancement funds for HBCUs, significant funding is still required to fulfill the goals of the OCR Partnership Agreement to ensure that Maryland's HBCUs are comparable and competitive to the State's TWIs.

Measuring Up 2000: The State-By-State Report Card for Higher Education

In November 2000, the National Center for Public Policy and Higher Education produced its first state-by-state comprehensive assessment of performance in higher education. The report graded each state on their respective performances in the following categories: preparation, participation, affordability, completion, benefits, and learning. While Maryland's rate of participation in higher education is one of the highest in the nation, the report gave Maryland a grade of *D* in affordability. The tuition charged by Maryland's public four-year colleges and universities is one of the highest in the nation (7^{th}), yet the amount of state grant aid to full-time undergraduates ranks the State much lower (18^{th}). Recent efforts to moderate the rate of growth in tuition along with increases in student financial aid have not substantially changed this ranking. While there were questions raised regarding the methodology used in this report, Maryland's low grade in affordability suggests that access to higher education for citizens of Maryland, particularly among the State's lowest income families, is an issue of great concern.

Task Force to Study College Readiness for Disadvantaged and Capable Students

The Task Force to Study College Readiness for Disadvantaged and Capable Students issued a final report in December 2001 that provides a comprehensive strategy to ensure that disadvantaged and capable students have adequate opportunities to matriculate in and successfully graduate from institutions of higher education. The *Task Force* made a number of recommendations that are aligned with the goals included in the State Plan. These recommendations include:

1. Academic preparation and support services for students

   - Strengthen the academic preparation of high school students to prepare them better for college.

2. Teacher preparation, recruitment, and retention

- Develop comprehensive recruitment, retention, and mentoring programs to attract and keep teachers who teach disadvantaged and capable students.

3. Financial Aid

- Increase need-based financial aid to all eligible students, including undergraduate, graduate, professional, and part-time students;
- Collect data to effectively analyze need-based and other financial aid programs to guide allocations;
- Decentralize a portion of need-based aid programs and study further decentralization;
- Modify the Guaranteed Access Grant program to provide a "college readiness" outreach effort that allows students to pre-qualify for need-based financial aid in ninth and tenth grade; and
- Expand public information and outreach efforts on financial aid.

4. Data Warehousing

- Initiate a statewide system for collecting and analyzing K-16 data.

Study on State Financial Aid

The American Institutes for Research (AIR) conducted a review of Maryland's State financial aid programs and issued a report in September 2001. The report made a number of recommendations that are consistent with those of the *Task Force on College Readiness*, including increases in need-based financial aid, decentralization of programs, an early intervention component for the Guaranteed Access Grant Program, expansion of outreach efforts, and the need for data to analyze and monitor the effectiveness of programs. In addition, AIR recommended that:

- State aid programs be consolidated as much as possible and complexity reduced;
- The administration of State aid programs be modernized and streamlined; and
- The name of the State Scholarship Administration be changed to reflect more accurately the array of State programs.

Financial Aid Legislation

Legislation was introduced in the 2002 session to make changes recommended in both the *Task Force on College Readiness* and the AIR reports. Enacted legislation included:

- Decentralizing the Professional Scholarship Program and a component under the Educational Assistance Grant;

- Establishing a college readiness outreach program under the Guaranteed Access Grant (GAG) program that provides early intervention and support to low income students and allows these students to pre-qualify for the GAG in ninth and tenth grade;
- Reducing complexity by changing the manner in which the grade point averages are calculated and allowing students to concurrently hold state awards as long as all eligibility criteria are met; and
- Changing the name of the State Scholarship Administration to the "Office of Student Financial Assistance."

The Commission has also established a workgroup to address concerns raised by the *Task Force* and the AIR study regarding the lack of comprehensive data to analyze need-based and other financial aid programs effectively, guide allocations, and to determine effectiveness of programs. A Joint Chairmen's Report will be completed by October 2002, which will provide a framework and timeline for data collection and research to evaluate the effectiveness of the State's financial aid programs. Future research will determine if the amount of financial need for low- and moderate-income students is being met by State, federal, and institutional financial aid.

Regional Higher Education Centers

Maryland collegiate institutions have initiated an array of activities designed to serve business and industry, and other employers in the State. These include partnerships aimed at establishing regional higher education centers which provide access to higher education programs to citizens in unserved or underserved areas of the State. Currently four regional higher education centers operate in Maryland; two new centers are being developed. The centers respond to the business and industry needs of the geographic regions they serve.

The State recognizes the importance of regional higher education centers and has demonstrated this commitment by granting the Commission statewide coordinating responsibility for the centers. The Commission recommends State funding for the centers to the Governor and General Assembly and administers all State operating funding for centers not governed by the University System of Maryland (USM).

According to statute, the State may provide grants to the centers for ongoing operating expenses and lease payments and may also provide incentive funds to promote collaboration among colleges and universities with the centers providing programs. Since their inception, the centers have not received consistent financial support, with only a few receiving State funds for operating expenses. This lack of consistent funding presents a challenge especially for newly established centers that must struggle to cover their initial start-up costs.

Update of Each Goal

Goal 1: Achieve and Sustain a Preeminent Statewide Array of Postsecondary Educational Institutions That Are Recognized for Their Distinctiveness and Their Excellence Nationally and Internationally.

Progress Made

Distinctiveness and excellence among Maryland's higher education institutions hinges upon focused, distinct, and complementary institutional mission statements; the efficient and effective delivery of the highest quality academic programs, research, and educational services that are reflected in these mission statements; solid curricula; and the teaching, research, and public service capabilities of the faculty.

In response to this goal, Maryland colleges and universities have been successful in their efforts to achieve national recognition in certain disciplines, but understand that there remains room for improvement. Many Maryland institutions are nationally recognized for their undergraduate and graduate programs, which are often ranked in the top tiers of national institutional rankings or have top ten rankings in several disciplines. For example:

- The Johns Hopkins University is ranked 15th among top national universities and has achieved an international reputation for excellence in many specialties
- The State of Maryland ranks first for awarding Ph.D.'s in biological and agricultural sciences and first in health sciences
- Montgomery College's Takoma Park campus is one of only 20 institutions of higher learning chosen for a National Learning Communities Project. The award was made through a nationwide competitive application process
- *Financial Times* ranked the Robert H. Smith School at University of Maryland, College Park sixth among business schools at public universities.
- The *Wall Street Journal* ranked the Smith School 13th overall in the world
- University of Maryland, Baltimore's law school is ranked in the top 5 nationally for health and environmental law by the *U.S. News and World Report*
- Loyola College was ranked second among master degree-granting universities in the Northern region of the U.S. by *U.S. News and World Report*
- St. Mary's College of Maryland ranked second in the top public liberal arts colleges by the *U.S. News and World Report*
- Towson and Salisbury Universities were named in the top 10 of public regional master's-granting universities by the *U.S. News and World Report*
- Anne Arundel Community College was named community college of the year by *National Alliance of Business*

Having faculty consistently remaining current in their fields is key to providing a first-rate educational experience. Maryland institutions support and have built faculty development into their reward structures. In fall 2001, 67.8 percent of all full-time faculty at Maryland public four-year campuses and 67.6 percent of those at the USM

institutions held a terminal degree (doctorate or first professional degree). It is the goal of these institutions to bring their average faculty salaries up to at least the 85th percentile, compared to faculty salaries at institutions in similar Carnegie classifications. In addition, more than 90 percent of the full-time faculty hold terminal degrees at Maryland's state-aided independent institutions.

In addition to ensuring excellence in faculty, Maryland's higher education community understands the importance of a liberal education and the positive impact this education has on individuals and society; this understanding is evident in the academic curricula offered by Maryland institutions. The State of Maryland's general education policies strongly support the breadth of a core curriculum, requiring that all the State's postsecondary students benefit from course work in the arts and humanities, behavioral and social sciences, biological and physical sciences, and mathematics and English.

The expansion of evening and weekend programs, on-line programs, certificate programs, and new degree programs provide Maryland citizens with the postsecondary educational experiences they need and want at times that are convenient. The Maryland postsecondary community is committed to offering educational experiences that broaden the capabilities and intellect of all citizens across their life spans.

Maryland's postsecondary education students are increasingly involved in internships, field experiences, and community service. These activities serve to educate students about the needs and responsibilities of society in general.

Since the adoption of the State Plan in 2000, mission statement review was implemented consistent with the spirit and intent of Senate Bill 682. Mission statements submitted by the State's public colleges and universities were found to be highly compatible with and supportive of the State Plan, were found to be clear, precise, and succinct, and describe institutional distinctiveness and commitment to providing the highest quality academic experiences to all students. They also describe institutional strengths that are unique and that contribute to the State's diversity of programs.

The link between an institution's approved mission and its aspirations for high-quality new program development is critically important to the program review process, which is the key means of avoiding unnecessary and unreasonable academic program duplication and to ensuring that State and Federal equal educational opportunity obligations are fully met.

Barriers and Constraints

Maryland has been described nationally by its peers as a State with an extraordinary system of higher education as evidenced by student mobility across institutions and among the various segments of higher education. Despite the gains Maryland has made in easing transfer among and between all institutions of postsecondary education through policy changes and developing articulation agreements and new academic programs designed for transfer ease, four-year colleges and universities regularly

challenge the applicability and quality of the transfer curricula from the community colleges. More must be done to focus the missions of our higher education institutions and to ensure that these missions complement one another as two-year and four-year institutions work together to meet student needs.

Priorities and Areas of Emphasis

- The Commission needs to continue to be vigilant and aggressive in its efforts to make certain that students are provided with a smooth transition from two- to four-year institutions and that students' transfer needs are met seamlessly.

- The Commission needs to continue to support the institutions in achieving the State's funding guidelines so that the foundation of quality faculty can be continued and expanded to support excellence in teaching, research, and service.

- The Commission must expand its work with all higher education institutions and established higher education centers to further develop and provide educational experiences and programs that are convenient in both time and location for Maryland citizens.

- The importance of institutional mission statement review must not be lost or lessened as institutions try to achieve their individual goals. The Commission must ensure that missions are consistent with the State Plan update and that individual distinctiveness of mission and programmatic emphasis is not lost.

- Maryland has a long and valued history of supporting a strong liberal education and the Commission must continue to assist this effort in light of current market forces to develop programs narrowly focused towards specific markets. Support of the liberally educated citizenry is over the long-term the most effective path towards meeting the educational needs of Maryland's and the nation's work force and leaders.

Goal 2: Provide Affordable and Equitable Access for Every Qualified Maryland Citizen.

Progress Made

The State has developed a multi-faceted approach to facilitate affordable and equitable access to postsecondary education for every qualified Maryland citizen. The State's commitment to postsecondary education is demonstrated by considerable increases in State appropriations for postsecondary education over the past few years. Maryland ranked seventh nationally in the percentage increase in state tax revenues for operating expenses between FY 2000 and FY 2002. The State's commitment to higher education is also evident by the proportion of total general fund revenues dedicated for operating and capital support. In FY 2002, 16 percent of the total general fund revenues were dedicated to general fund and capital support for Maryland's colleges and universities. This is up from 13 percent in FY 2000. Higher education is one of the few areas within the State that experienced funding increases over the past several years.

Financial aid is a critical component of the State's effort to expand access and minimize financial barriers to higher education, particularly among students with high financial need. Funding for State financial aid programs increased 48 percent between FY 2000 to FY 2003. This increase will provide assistance to an estimated additional 6,500 students attending Maryland postsecondary institutions. However, concerns were raised about the level of need-based aid, since tuition and fees at Maryland institutions are, on average, higher than charges in many other states. The *Task Force to Study College Readiness for Disadvantaged and Capable Students* was established in Fall 2000 to study this issue as well as a number of other issues relating to access. In December 2001, the *Task Force* presented to the Governor and General Assembly a comprehensive strategy to ensure that disadvantaged and capable students have adequate opportunities to matriculate in and graduate from Maryland's higher education institutions. The *Task Force* stressed the importance of academic intervention programs and college outreach programs in each year of a child's early, primary, and secondary education. The final recommendations, in part, also provided a framework to expand affordable and equitable access to a college education through increases in need-based aid and the modification of financial aid programs.

The State is making concerted efforts to remove non-financial impediments to access. One such effort is enhancement of college awareness and outreach activities. It is critical that students and parents be well informed about colleges and universities, academic programs, and available financial aid programs so that every qualified Maryland citizen has access to higher education. To that end, several outreach efforts are employed using a variety of means including direct mail, workshops, and web-based programs. This is a collaborative effort with high schools, community groups, colleges and universities, faith-based organizations, and the media. Educating Maryland residents about the State's academic programs, financial aid, and other higher education opportunities remains a core component of the State's efforts to promote access to postsecondary education.

To further expand convenient geographic access for all Marylanders, several two- and four-year colleges and universities have worked collaboratively to develop new regional higher education centers. Currently, four regional higher education centers operate in Maryland; two new centers are being developed. The purpose of the regional centers is to provide access to higher education programs to citizens in unserved and underserved areas and respond to business and industry needs in the areas which they serve. Furthermore, these centers play a vital role in meeting the State's workforce needs in high demand areas such as education, nursing, and engineering.

Barriers and Constraints

While Maryland has made significant advances in ensuring affordability and access, challenges remain. The current economic downturn and tight State budget may limit the State's ability to provide an affordable and accessible postsecondary education system. Over the past few years, the State experienced moderate tuition increases. The four-year public institutions maintained annual tuition increases at four percent until this year. In addition, tuition increases at community colleges were held to moderate levels, averaging three percent between FY 2000 and FY 2002.

One impact of the current recession will be a return to higher tuition increases. Increases in tuition and fees will make it more difficult for moderate and low-income students to afford college unless additional need-based aid is provided. The current level of funding for need-based aid programs is not sufficient to support all eligible students, i.e., full-time, part-time, undergraduate, graduate, and private career school students. Maryland has yet to meet the goal of providing 40 percent of the financial need of students and the maximum award amount of $3,000 per student established in statute for awards through the State's primary financial aid program. Unless the State responds by increasing funding to its need-based financial aid programs, the current fiscal situation will exacerbate the State's ability to meet the financial needs of low-income students. Remedies should also include modification of programs and processes to meet the needs of a more diverse student population as recommended in the *Task Force on College Readiness* and AIR reports.

While the Commission has increased outreach and college awareness efforts substantially this year, much more needs to be done to better inform Maryland students about financial aid programs. Limited resources, impact the effectiveness of the Commission's efforts. Low cost approaches have been expanded to include utilizing media coverage as a method of advertising financial aid programs and events. Commission staff has provided significant support to new and improved outreach approaches this year: College Goal Sunday, a statewide program, was held in February 10, 2002, using college and university volunteers to provide free information and assistance to families applying for college financial aid; and an expanded list of resources is available now available through the Commission's web page. While these enhancements require resources to develop, once available, they provide low cost options for providing information.

The regional higher education centers serve an important role in achieving the State's higher education goal of providing access to Maryland citizens. In the mid-1990s, the State demonstrated its commitment to this alternative educational choice by granting the Commission statutory authority to recommend State funding and administer all State operating funding for centers not governed by the USM. However, the State has not developed a comprehensive policy regarding financial support for these centers. Since their inception, State financial support has been inconsistent, with only a few centers receiving State funds for operating expenses. The centers were established as a way to encourage the participation of the State's higher education institutions in offering programs that benefit students and meet the needs of business and industry and governmental agencies. Therefore, the success of the centers requires both the integration of academic programming and cooperation among higher educational institutions. To meet the educational, workforce training, and economic development needs of unserved and underserved regions, the State must develop a strategy that fosters participation among Maryland's higher education institutions. Commitment to the regional higher education centers will assist the State in expanding educational opportunities to non-traditional students and meet emerging workforce needs

Priorities and Areas of Emphasis

- Continue to increase State need-based financial aid to provide awards to all eligible students, including full-time part-time, undergraduate, graduate, and private career school students enrolled in private career schools to moderate the impact of rising tuitions.

- Continue to expand outreach efforts to students in high school as well as non-traditional students, build upon current strategies that foster preparation for higher education, and heighten awareness of the value of higher education and availability of financial aid.

- Obtain funding to begin implementation in FY 2004 for the K-12 college readiness outreach program under the Guaranteed Access Grant program.

- Develop a comprehensive strategy to provide financial resources to the regional higher education centers and foster participation by higher education institutions to provide needed programs.

- Establish a research agenda and collect comprehensive data to evaluate the effectiveness of the State's financial aid programs and the amount of financial need of low- and moderate-income students being met by State, federal, and institutional financial aid.

Goal 3: Contribute to the Further Development of Maryland's Economic Health and Vitality.

Progress Made

The research and educational capabilities of Maryland's higher education institutions contribute to the economic health of the State by producing a highly educated, well-paid workforce. Maryland ranks fourth in the nation among adults (over age 25) with a bachelor's degree or higher and has the fourth highest median household income. These successes are attributable in part to the State's ability to attract and retain businesses that require highly skilled and technical employees.

The postsecondary education community contributes to Maryland's economic and workforce development by producing graduates and workers credentialed with needed skill sets, by being accessible to workers who are upgrading their skills, and by promoting entrepreneurial and innovative partnerships with the private sector. Institutions provide a range of academic programs, including those identified as crucial to Maryland's economy. Areas of focus include teacher education, nursing and allied health, information technology, biotechnology, engineering and business innovation, entrepreneurship, construction, and tourism.

Partnerships with state and local governments provide workforce development opportunities designed specifically to prepare individuals, including low-income workers and former welfare recipients, for entry into careers or for career advancement. Innovative programs designed to encourage individual economic self-sufficiency have been created, such as a transportation project that links City residents to suburban employment opportunities. The continuing education components of colleges are particularly responsive to the business community, assessing needs in any area, and developing specific contract training or general course offerings to meet those needs.

Moreover, Maryland's postsecondary institutions respond to the changing demands of the marketplace by offering classroom instruction during the day, evenings, and weekends, and, in some specialized areas, times of instruction change to meet employee work schedules. For individuals who either cannot or prefer not to attend traditional classes, Maryland's higher education institutions have developed an ever-increasing menu of courses and programs presented in web-based, web-classroom hybrid, and other forms of distance learning. In some specialized career programs, some components may be offered in conjunction with outside agencies specializing in these areas.

Entrepreneurial activity by faculty, departments, and institutions is a critical driver of the State's economy. The USM has fostered faculty entrepreneurship by revising its intellectual property rights policy to provide early remuneration to creators.

Barriers and Constraints

The challenges facing Maryland's colleges and universities are many. Employers and students have diverse educational goals. While many are traditional students completing associate, baccalaureate, graduate, and/or professional degrees, many do not have a degree as their immediate or long-term goal. These students may be developing skills for an entry-level position, updating or diversifying knowledge or skills for a current career, or changing careers completely. These individuals may meet their goals by completing a single course or sequence of courses which may be offered either as credit courses or through continuing education. In line with their approved missions, Maryland's institutions must continue to develop a range of programs including continuing education, letters of recognition, and certificate and degree programs to meet the needs of the business community, thus ensuring economic health and vitality. In addition, the modes of delivery must continue to expand to maximize access and efficiency.

Entrepreneurial activity is threatened by an increasing shortage of full-time faculty and the ever-increasing demands on faculty members' time beyond their regular research and/or teaching responsibilities. It is essential that sufficient technical and clerical support be given to faculty who are at the forefront of research and innovative teaching.

Areas identified as crucial to the State's economic development include a number of high-cost programs. Colleges must support programs that require expensive equipment that must be continually updated as well as attract and retain quality faculty and support staff with salaries that are competitive with the private sector. Colleges should forge consortia to maximize efficient use of funds while increasing access and serving students in convenient ways.

Priorities and Areas of Emphasis

- Explore funding for critical programs while also supporting the development of partnerships and articulation agreements in workforce shortage programs that minimize redundancy and increase access.

- For employees earning industry certifications, encourage more cooperation between credit and continuing education divisions to maximize efficiency.

- Encourage and facilitate cooperation among the segments of postsecondary education, and business and industry.

- Develop standardized criteria for a Continuing Education Record that would be similar to, but not confused with, a credit transcript.

- Develop standardized criteria for awarding Continuing Education Units (CEUs) to validate the competencies expected as outcomes of continuing education courses statewide.

- Develop intellectual property policies and practices that would promote faculty participation in entrepreneurial activity rather than discourage it.

- Ensure that intellectual property policies and practices are in place prior to the production of any educational product.

Goal 4: Support and Encourage Basic and Applied Research.

Progress Made

Maryland colleges and universities have moved into the top ranks nationally in the areas of basic and applied research and related doctoral programs. Maryland ranks first in the nation for the production of Ph.D.s in biological, agricultural, and health science fields; second in Ph.D.s in computer and mathematical sciences; and fourth in Ph.D.s in the physical sciences. The University of Maryland Baltimore County tops all other public research universities nationally for bachelor's degrees awarded in Information Technology.

In addition to top national rankings, Maryland's research institutions aggressively pursue outside funding. For example, the State ranks first in the nation in research funding from the National Institutes of Health and NASA. The University of Maryland, College Park's College of Computer, Mathematical, and Physical Sciences alone receives over $70 million annually in competitive grants, and in FY 2000 (the latest year for which data are available) the entire USM accounted for over $570 million in total Research and Development expenditures, as measured by the National Science Foundation. Furthermore, in FY 2000, the Johns Hopkins University (JHU) received over $793 million in research funds more than any other university in the nation. Much of it is for classified defense research.

The interface between research and government is already apparent in several initiatives as diverse as the University of Maryland, College Park's Geology program, the Maryland Agricultural Experiment Station, and University of Maryland, Baltimore's Center for Intellectual Property Resource Center. These and other institutions offer free public lectures, legal data, and training for consumers. Higher education institutions also provide expertise to federal, State and local governments. For instance, University of Maryland, College Park recently announced the formation of a Council on Security and Anti-Terrorism, made up of a broad spectrum of experts in the sciences, engineering, public health informatics, biology and genetics, politics, information studies, criminology, agriculture, and conflict management, among others.

Through their business and outreach programs, Maryland's universities also put the knowledge generated on the State's campuses to work in solving the research and resource needs of the business community. Small business development centers (SBDCs), offering assistance in the establishment, management, and expansion of hundreds of small businesses in Maryland, are operated by many of the USM institutions including the University of Maryland, College Park, Frostburg State University, Salisbury University, and Towson University. Other programs at USM institutions focus upon entrepreneurial development. These include the University of Maryland, College Park's Technology Advancement Program (TAP), which serves as a small business incubator and has "graduated" more than 37 start-up companies since its inception in 1985. Twelve companies are currently participating in the TAP program. In addition UMBC's Technology Center serves as a magnet for start-up and/or rapidly

growing businesses in the field of high technology. The Technology Center currently houses 24 companies and has served an additional 18 since its inception. The success of these programs, and others like them at Maryland's colleges and universities, has led to the Corporation for Enterprise Development ranking the State of Maryland 17th nationally in the rate of new business formation.

Maryland has become one of the nation's leading states in the biotechnology industry. Research has been fostered and encouraged by the University of Maryland Biotechnology Institute, Center for Advanced Research in Biotechnology. These can be models for advances in other fields.

Barriers and Constraints

For Maryland to achieve its goal of supporting and encouraging basic and applied research, it is important that intellectual property rights policies foster the recruitment and retention of the most creative, inventive, and productive faculty available. Recent changes in the federal copyright law have brought into question faculty members' right to write textbooks and monographs, to keep the copyright, and to collect royalties. Policies should be developed that do not discourage, regulate, or limit research and/or freedom of inquiry through restrictive intellectual property rights policies.

Priorities and Areas of Emphasis

- Institutions should develop policies and practices on intellectual property rights that promote basic research and scholarly activities.

- Provide support for scholarship and research as an essential investment in the well being of the State and its economy.

- Encourage an intensive sharing of information about funding sources and specific grant initiatives among institutions and faculty members, to include continued funding for biotechnology research facilities and other specialized multi-institutional research facilities.

- Support the Department of Business and Economic Development's Maryland Technology Transfer Fund as a means to encourage Maryland higher education institutions to enter into cooperative ventures with industry and with Federal research laboratories.

Goal 5: Strengthen Teacher Preparation and Improve the Readiness of Students for Postsecondary Education.

Progress Made

Strong and positive efforts are being made in teacher education programs, but the State will need to remain vigilant to ensure that Maryland's need for greater numbers of high-quality teachers and well-prepared students is being met.

The public and independent four-year colleges and universities appear to be progressing well toward their objectives in most cases. National accreditation has been achieved for many teacher education programs. Articulation agreements between two- and four-year institutions have improved through the establishment of the Associate of Arts in Teaching (AAT) degree. Alternative routes to certification have increased. Teacher education graduates are better prepared to succeed in a diverse educational system. In terms of improving academic preparation for all students, through our K-16 partners, high school exit requirements are better aligned with college admissions requirements. The Maryland Partnership for Teaching and Learning, K-16, has identified core learning goals and academic content standards designed to help students make the transition from high school to college and the workplace. The *Task Force to Study College Readiness for Disadvantaged and Capable Students* developed a series of recommendations to ensure that minority and low-income students have adequate opportunity to enter and graduate from institutions of higher education.

The USM and its member institutions are recognized as national leaders in many areas of school reform, including teacher education. The USM's participation and leadership have been central in the development of a national vision and focus on teacher education. With the USM's contribution, the American Council on Education (ACE) was able to issue a groundbreaking policy report called "To Touch the Future: Transforming the Way Teachers Are Taught." The report urged college presidents to make teacher education a central part of their institutional mission, to ensure that the education of teachers is of the highest quality, and to provide effective support to both beginning and experienced teachers. All USM presidents with teacher education programs agreed to adopt the ACE policy recommendations.

Barriers and Constraints

There are indications that many campuses may have difficulty achieving their objectives related to the production of graduates in certain high demand fields of interest to the State. A recent Commission study found that in-state programs are out of balance, underproducing teachers in fields the State has designated critical shortage areas while overproducing elementary education teachers. An important factor in fully achieving Goal 5 is Maryland's teacher shortage and the public school system's dependence on other states to supply half of its annual staffing requirements. While Maryland hired some 8,900 new teachers to begin the current school year, its 22 colleges offering

teacher education programs produced only 2,550 teacher candidates--only 1,585 of whom became teachers in Maryland schools.

Any long-term strategy for assuring that every Maryland child has a qualified teacher must reduce this dependence on out-of-state teachers. Moreover, another Commission study has found that the State's teacher preparation programs could absorb nearly 4,600 more students within their current operating budget. This would represent a 35 percent increase in undergraduate enrollment, and a 50 percent increase in graduate teacher candidates. Furthermore, there are indications that some campuses are having difficulty implementing a number of strategies in the State Plan. For example, there is little documentation or evidence indicating that faculty are supported and rewarded for work with K-12 schools and that Arts and Sciences faculty are rewarded for participation in high-quality teacher programs. There is also recent evidence indicating that the balance of academic coursework and professional coursework in early childhood education and elementary education has not changed significantly since the 1995 *Redesign of Teacher Education*, a State policy adopted by the Commission and the Maryland State Department of Education that calls for strengthening the undergraduate preparation of teachers. It appears that some teacher education candidates are not provided sufficient academic rigor in mathematics, science and technology, and are not provided an extended clinical internship in a professional development school.

Similar to the teacher education shortage, K-12 is also experiencing a crisis in leadership in the State's elementary and secondary schools. Significant opportunities need to be provided throughout the State for greater access to relevant graduate programs for school administrators.

Moreover, while there has been substantial improvement in articulation through the establishment of the AAT, progress needs to be maintained with the implementation of the elementary education component and with the design and commitment for the secondary education component.

Nearly 40 percent of the high school graduates who enrolled at a Maryland college or university in 1999-2000 needed remedial assistance in mathematics, 25 percent in writing, and 22 percent in reading. Research, both in Maryland and throughout the nation, has shown that students who take college preparatory courses of study in high school perform better in their first year in college than those who do not and are more likely to earn degrees.

Priorities and Areas of Emphasis

- Expand the enrollments of Maryland teacher education programs by one-third within the next five years and significantly increase the number of graduates trained in critical shortage areas.

- Encourage colleges to restrict enrollment in low-demand programs.

- Encourage colleges to increase the academic rigor in early childhood and elementary education programs.

- Create incentives to compensate teacher development programs for the net costs of additional students beyond current levels who earn degrees in critical shortage areas.

- Increase funding for existing scholarship programs to support all eligible applicants.

- Expand post-baccalaureate or Master of Arts in Teaching (M.A.T.) training for provisionally certified teachers.

- Provide fast-track options for career changers or students who decide late in college that they want to teach.

- Expand teacher education programs offered at regional higher education centers and at other off-campus sites to provide greater access to such programs.

- Encourage schools of education to expand and intensify their recruitment efforts among potential teachers.

- Encourage colleges and universities to revise their faculty rewards system to support the goals in the *Redesign.*

- Encourage representatives of the two-year and four-year institutions to reaffirm their commitment to the development of outcomes-based, fully articulated programs in teacher education that transfers without further review.

- Encourage Colleges of Education to work closely with local superintendents of schools in an effort to provide graduate and professional training opportunities for school administrators.

Goal 6: Provide High-Quality Academic Programs for a Population of Increasingly Diverse Students.

Progress Made

Minority students in Maryland colleges and universities have made progress in both retention and graduation rates. While graduation rates of all students rose, among minority students, the African American student graduation rate rose most. This improvement in retention and graduation rates can be attributed primarily to stronger preparation at the K-12 level and the effectiveness of college support services. Institutions are relying more heavily on mentoring and tutoring programs, student support services, and student organizations to boost the retention rates of their African American, Hispanic, and other minority student populations. Also, admissions counselors focus on distinct territories that are selected according to a precise set of historical data and demographic information. Last, early-warning grade systems to assist first-year students with setting and achieving academic goals, identifying resources, and becoming accustomed to college and university life have been effective tools. Certainly, the expansion of the Commission's *Access and Success* program has proven to be very effective in retaining and graduating Maryland's minority student population.

This goal also speaks to the enhancement of Maryland's HBCUs, particularly with regard to developing unique academic programs. Since the adoption of the State Plan and consistent with the commitments in the OCR Partnership Agreement, mission statements at the four HBCUs were revised to be consistent with the goals and objectives established in the State Plan. Each revised mission statement describes an institution's distinction and commitment to offering high-quality programs that contribute to the State's diversity of programs and avoid unnecessary and unreasonable program duplication. High demand academic programs, unduplicated at nearby institutions, were implemented at HBCUs.

Barriers and Constraints

While progress has been made by African American students in both retention and graduation rates, the 6th-year graduation rate continues to lag behind the rate for all students. Racial diversity among faculty and staff continues to be an area of concern in higher education, particularly for Maryland's community colleges. Many community colleges remain far from achieving their benchmarks and have shown little progress in spite of a number of proactive initiatives to expand the recruitment of minority faculty and staff.

While the State has been successful in attracting minority students into postsecondary education, the transfer rate from community colleges to four-year institutions has remained flat at approximately 19 percent (compared to 37 percent for white students) in recent years. The State's postsecondary institutions can expect an increase of minority students in their incoming freshman classes in the future. Measures need to be

considered to accommodate this rise in their respective student populations. Student services need to be improved, with adequate funding and faculty mentoring support, to meet the needs of an increasingly diverse student population.

Priorities and Areas of Emphasis

- Continue to provide enhancement funding for HBCUs to address commitments in the OCR Partnership Agreement.

- Identify "best practices" to assist Maryland colleges and universities in their efforts to attract, recruit, and retain racially diverse faculty and staff.

- Reduce and eliminate the gap between the two- to four-year transfer rates and the six-year graduation rates for African American students.

- Encourage the HBCUs in their recruitment of students of all races.

Goal 7: Establish Maryland as one of the Most Advanced States in the Use of Information Technology to Improve Learning and Access.

Progress Made

State policy is guided by the goal of making electronic access to postsecondary education, especially broadband access to on-line courses and programs, widely and equitably available to all residents of the State. On-line instruction can be responsive to the learner's needs to study and participate in learning anytime and anywhere in the State. In order to achieve this goal, the Commission has consistently supported broad initiatives: a statewide K-16 educational network; a statewide broker of on-line educational programs such as *MarylandOnline;* a digital library available to all learners; and technology training for faculty members.

The Faculty Technology Training Grant Program awarded a total of $2 million in FY 2001 and FY 2002. These funds were used to enhance the ability of faculty at Maryland institutions of higher education to use modern technology in their delivery of instruction. Awards were made for direct faculty training and for faculty training centers. More than 12,000 faculty participated in training programs supported by these funds. In addition, the 2002 Maryland General Assembly extended the Innovative Partnership for Technology Program, for technology projects at community colleges, through FY 2006.

Beyond these very important initiatives, one of Maryland's strategies in achieving the goal of being one of the most advanced states in information technology (IT) is to identify and remove barriers and constraints that prohibit progress and then to develop policies that assist and encourage Maryland colleges and universities so they can be competitive and responsive in meeting the State's educational needs. As an example, the higher education community decided it was in the State's best interest to set aside all traditional academic review policies and procedures when it came to offering previously approved academic programs by distance learning. All Maryland institutions were encouraged to deliver electronically any and all courses in their portfolios without regard to the more traditional program review process e.g., funding, duplication, market demand considerations, etc.

The State also concluded that it needed to define direct classroom instruction in a manner that would recognize the various learning modalities. This definition supports the theory that, since instruction at a distance is interactive and does not require classroom attendance, students have the convenience and flexibility they need to balance their studies with work, family, and other important commitments.

Barriers and Constraints

A technology-rich higher education system requires costly components, which not all campuses can presently afford. These components include the wiring of classrooms and dormitories, a complex telecommunications infrastructure, training and mentoring of faculty and staff, devising and implementing policies on copyright and intellectual property, supporting on-line library holdings and databases, providing uniform and reliable platforms for research and instruction, and infusing both administrative processes and the instruction with advanced technology. Funding mechanisms have not adequately adjusted to the demands information technology has made on campuses. The start-up funds needed for infrastructure can be too large for institutions, and the cost of continuing maintenance of technology investments requires new approaches. Often consortial and statewide initiatives are more cost-effective than individual campus attempts to "go –it alone."

The line between a more traditional "face-to-face" education and distance education is blurring to the point that there may soon be little substantial difference from the perspective of the learner. If this premise is correct, the rationale for continuing to hold institutions to traditional educational standards and practices is considerably weakened.

One example is the continued use of the "12-hour rule" in order to participate in federal financial aid programs. Another anachronism is the "50 percent rule" that bars colleges that offer more than 50 percent of their courses at a distance from providing federal financial aid.

Copyright laws pertaining to traditional classroom teaching and distance learning are another policy area of concern. Students in courses employing new media must be accommodated by having the "fair-use" of copyrighted materials extended to the distance learning environment. The American Association of University Professors (AAUP) states: "institutions of higher education are conducted for the common good and not to further the interests of either the individual teacher or the institution as a whole." As postsecondary institutions revise their intellectual property rights (IPR) policies to reflect the impact of the digital environment, these policies should be consistent with AAUP's principle and encourage the development of inventions and other intellectual and artistic creations for the best interest of the public, the author or creator, and the institution. The Commission's Faculty Advisory Council is currently studying the impact of IPR policies with a comprehensive report on the issue expected in 2003. The following principles might guide the design of institutional policies concerning intellectual property:

- IPR policies should be framed so as to foster the recruitment and retention of the most creative, inventive, and productive faculty by providing an atmosphere that rewards their efforts.
- Policies should reinforce higher education's primary role in creating and disseminating knowledge for the good of society, which in turn secures the State's economic health and vitality.

- Policies should recognize that intellectual property created and initiated by a faculty member are to be considered his or her property, unless transferred voluntarily.
- Materials created for ordinary classroom teaching and for use in department programs should remain the property of the faculty creator, with the expectation that the creator would, in turn, grant permission for such material to be used for internal instructional, educational, and administrative purposes.

The State of Maryland is facing a rapid growth in the number of postsecondary learners over the next 10 years. The State will have to decide how to respond to the educational needs of these learners: through distance learning, regional centers, the expansion of existing campuses, or the construction of new campuses, or through a mix of the above.

Although it may not be a complete answer to more bricks and mortar, distance learning does present a positive alternative. It is the fastest growing part of the higher education enterprise at present. Part of the reason for the rapid growth in distance learning is the changing nature of the educational marketplace, which is no longer dominated by undergraduate students between the ages of 18 and 24.

There still remains much work to be done in bridging the digital divide. The following disturbing digital divide statistics, as reported by the Southern Regional Education Board (SREB) Distance Learning Laboratory in December 2001, illustrate the digital divide in the 16 SREB states and nationally:

- ✓ Since 1998, the difference in Internet access between high- and low-income groups has stagnated rather than grown closer. Households earning $75,000 or above per year are almost 2.5 times more likely to have Internet access and twice as likely to own a computer than those in the $25,000 to $35,000 income range.

- ✓ Whites are almost twice as likely to have Internet access than are African Americans and Hispanics, and the difference for each group have grown by about 3.5 percentage points since 1998.

- ✓ Americans with four-year college degrees are more than twice as likely to have Internet access compared to those without a postsecondary degree and those with "some college" education are 1.5 times as likely to have access than those who never attended college.

- ✓ There are also significant geographic differences in access, with urban metropolitan regions being more likely to have Internet access than rural and inner city areas.

As important as it is for all students to have access to computer hardware, it is essential that they have access to inexpensive copies of the software they must use in their

coursework. The State should support the efforts of USM on behalf of all postsecondary institutions to negotiate with Microsoft, an extension of the Maryland Education Enterprise Consortium (MEEC) agreement. Keeping reasonable and inexpensive license fees for essential educational software is in the best interests of all, but particularly for students and faculty who depend on this software daily.

By request during the 2002 legislative session, the Commission developed a proposal for distributing the cost of operating the Maryland Digital Library (MDL) among the State's higher education institutions on an equitable basis. The Commission is working with the segments of higher education to develop such a plan. Essentially, institutions may be requested to pay an annual assessment based on full-time equivalent student enrollment and the cost of core and optional databases to the MDL. However, other funding approaches continue to be examined for the future.

Funding for the Faculty Technology Grant Program continues to be a concern. These funds are essential to enhance the ability of faculty to use technology in the delivery of instruction.

In order for Maryland colleges and universities to remain competitive in the marketplace and to overcome the digital divide, a greater commitment needs to be made in the area of information technology.

Priorities and Areas of Emphasis

- Develop appropriate funding mechanisms to support the Maryland Digital Library and the Faculty Technology Training Grant Program.

- Support statewide utilities, such as *MarylandOnline*, that serve the needs of on-line students and promote the distance learning efforts of all higher education institutions.

- Work to achieve reforms in federal financial aid regulations to provide distance learning students access to federal financial assistance that is equal to the access traditional students have.

- Eliminate the digital divide by supporting measures to provide all postsecondary students with access to appropriate information technology resources and to ensure that all graduates of Maryland colleges and universities have achieved technology proficiency.

- Support access for all campuses and K-12 to Internet II through a statewide high-speed network.

Goal 8: Achieve a Cost-Effective and Accountable System of Delivering High-Quality Postsecondary Education.

Progress Made

Maryland has had much success in striking the difficult balance of developing a system of postsecondary education of the highest quality while maintaining cost efficiency and accountability. Over the past several years, State support for higher education has increased nearly 50 percent. During that time, a comprehensive system to measure performance has evolved to promote efficiency and efficacy throughout the higher education system.

The recent funding increases are consistent with the operating funding guidelines adopted by the Commission in late 1999. The Commission, working in collaboration with USM, established funding guidelines for USM constituent institutions to inform stakeholders of the budgetary process. The guidelines establish a methodology to benchmark funding and performance at Maryland's institutions relative to peer institutions nationwide. The funding comparisons are based on a combination of tuition and fee revenues and State appropriations. As a result, the guidelines provide a disincentive to raise tuition at public institutions to the extent that State support continues to grow. Recognizing the need to fund higher education at nationally competitive levels, the guidelines establish a goal to fund Maryland's institutions at the upper quartile of peer institutions. When full funding is sustained, this model will provide the resources needed to attain national eminence as envisioned in the *Maryland Charter for Higher Education.*

With these increases in spending for higher education come increased responsibility and accountability. The State's accountability process seeks to measure how efficiently and effectively higher education is serving the State by preparing high-quality professionals, skilled workers, and educated citizens. This process is also consistent with the annual peer performance component of the funding guidelines, which identifies a set of comprehensive, outcome-oriented performance measures to compare Maryland four-year institutions against their performance peers. The community colleges revised their accountability process in 2001 by developing a set of 39 mission/mandate driven performance measures. In addition, the independent colleges and universities receiving State aid also recognize the importance of accountability and have voluntarily submitted periodic reports as part of this process.

At the institutional level, much has been done to create cost-efficient and accountable programs and services. Efficiencies have been realized by the improvement of articulation and transfer agreements across the State. Web-based developments have created a statewide system for students and advisors to share information across institutions. Through the Web, students and advisors can obtain information on recommended transfer programs, course equivalencies between community colleges and four-year institutions, and the availability of dual enrollments. This advancement in

technology has contributed to the overall effort to strengthen articulation and transfer agreements.

The State has made other efforts to ensure a seamless transition for students transferring from a community college to a four-year institution. For example, Maryland is recognized nationally for a fully-articulated program in teacher education which allows transfer between the State's 16 community colleges and 22 four-year public and independent institutions offering teacher education programs. Prior to the adoption of the Associate of Arts in Teaching (AAT), there were 352 separate articulation agreements. The AAT replaces all 352 agreements with one agreement, which makes the need for individual teacher education articulation agreements obsolete.

The goal of improving efficiencies and expanding opportunities is furthered by the collaboration between institutions, secondary schools, businesses, industries and governments. Institutions have developed far-reaching collaborative agreements that respond to the needs of the community.

Barriers and Constraints

The current mechanisms of measuring accountability are relatively new for the State's management structure. It will take time for this system to show a complete picture of the performance of institutions. It will also be a challenge to continue to develop new and appropriate measures of performance that are specific to each institution. As trends begin to emerge, new areas of need and concern may be identified. The State will be required to be flexible in order to address these needs. Furthermore, it is difficult to identify and collect useful data for performance measures that are outcomes- based. The State will be continually challenged to find appropriate measures that reflect the outcomes that are established by statewide policy as priorities.

While the voluntary participation of the independent State-aided institutions is to be commended, it is important that these colleges and universities adopt a process that is compatible with the one used by the public four-year campuses.

Despite the successes of the State's articulation and transfer agreements, improvements must be made. Technology has greatly expanded access to articulation and transfer information. As such, the need for timely and accurate information has also greatly expanded. Courses and curricula changes must be quickly updated to ensure the wide dissemination of the most recent accurate information.

Priorities and Areas of Emphasis

- Continue to develop appropriate outcomes-based performance measures.
- Integrate aspirational peers into the operating funding guidelines.
- Continue to promote collaborative efforts between institutions and outside entities in order to best serve the needs of the community and students.
- Examine the feasibility of a statewide scope for all articulation and transfer arrangements.
- Building on the success of the AAT degree, engage faculty at two- and four-year institutions to develop fully articulated, seamless transfer programs in other academic disciplines.
- Make the accountability process used by the State-aided, independent institutions more compatible with the accountability process of the public four-year institutions.

Conclusion

The eight goals in the *2000 Maryland State Plan for Postsecondary Education* remain the driving force behind Maryland's higher education system. This State Plan update purports to reinforce those goals and the related strategies for achieving them. While examining the progress made since the adoption of the 2000 State Plan, the update suggests a course of action for the further progress. Building on the substantial strides made in areas of great importance, this course of action should be embraced by Maryland's higher education community and all stakeholders in order to ensure greater access to and achievement by Maryland's outstanding system of postsecondary education. Two major themes emerge from this two-year review of higher education in Maryland: *access and affordability; and achievement and accountability.*

Maryland must continue to focus on making postsecondary education affordable and accessible to *all* Marylanders. To do so requires continued investment in higher education and student assistance, even as the State faces a less than favorable fiscal outlook. The State's postsecondary education system is a powerful engine for future prosperity in the new, knowledge-based economy. Continued investment in higher education, building on tremendous growth and support over the past several years, is essential to sustaining a thriving economy and a civil society. We must also remain vigilant in our efforts to ensure that students are afforded a smooth, seamless transition from two-year to four-year institutions and that barriers to access at all levels are eliminated.

Maryland must continue to demand that students and institutions achieve at the highest levels and we must support efforts to measure our success. Maryland's extraordinary system of higher education is characterized by, among other things, a recent surge in the number of institutions achieving national rankings. Much progress has been made. The State's peer-based funding guidelines and accountability system has served as a catalyst for performance at Maryland's public four-year institutions. As the State moves toward incorporating aspirational peers into the funding guidelines, the stakes will become even higher as Maryland institutions strive to outperform their national peers. The State must also remain committed to enhancing its historically black colleges and universities.

As the State continues to promote performance and achievement of our institutions, student achievement must remain a clear focus. The State must recommit to eliminating the achievement gap so evident in retention, graduation and transfer rates. The anticipated growth in enrollment of minority students in postsecondary education underscores the urgency of these efforts. Inherent in those efforts to improve retention and graduation rates must be renewed focus on college readiness.

Maryland is a leader in the nation in many areas including its support for higher education and in the educational attainment of its residents. All stakeholders recognize the value of investing in an efficient, effective system of postsecondary education with

distinct and complementary missions to meet State needs. In many ways, two years is a short time in which to measure progress in so many areas of importance to the State. Yet, Maryland is well poised to build on solid achievements of the past two years and move aggressively to meet the challenges that lie ahead.

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